

Message Text

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41

ACTION EUR-25

INFO OCT-01 IO-12 ADP-00 EURE-00 SSO-00 NSCE-00 USIE-00

AGR-20 CEA-02 CIAE-00 COME-00 DODE-00 EB-11 FRB-02

H-02 INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-10 PA-03

RSC-01 AID-20 CIEP-02 SS-15 STR-08 TAR-02 TRSE-00

PRS-01 OMB-01 OIC-04 NEA-10 EA-11 INRE-00 RSR-01 /191 W
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O R 161129 Z MAY 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 5216

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

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E. O. 11652: N/ A

TAGS: ETRD, EEC, GATT

SUBJECT: MAY 14-15 EC COUNCIL (FOREIGN MINISTERS) - PREPARATIONS
FOR MTN

REF: EC BRUSSELS 2679

1. SUMMARY. THE COUNCIL OF THE EUROPEAN COMMUNITY (FOREIGN
MINISTERS) CONCENTRATED ITS ATTENTION DURING THE SECOND DAY
OF ITS SESSION ON DISCUSSIONS OF THE MULTILATERAL TRADE NEGOTIA-
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TIONS (MTN) IN GATT AND ON MEDITERRANEAN POLICY (LATTER BEING REPORTED SEPARATELY). (SEE REFTEL FOR A REPORT OF SUBJECTS COVERED ON MAY 14). THE COUNCIL EXAMINED CAREFULLY THE COMMISSION' S REPORT ON MTN PREPARATIONS WHICH HAD BEEN PREPARED BY EC COMMISSION VICE PRESIDENT SOAMES (EC BRUSSELS 2013). SOAMES HIMSELF DESCRIBED THE MINISTERS' REACTION AS " MIXED", AND SAID THAT, BASED ON THE COUNCIL' S DISCUSSION, THE COMMISSION WILL PREPARE A SOMEWHAT REVISED PAPER FOR CONSIDERATION BY THE COUNCIL IN JUNE. END SUMMARY.

2. THE COUNCIL OF MINISTERS HELD A LENGTHY EXCHANGE OF VIEWS ON THE COMMISSION' S PAPER ON THE MTN AND CONCLUDED THAT, BY AND LARGE, AND WITH SOME FURTHER WORK, IT WAS AN ACCEPTABLE BASIS FOR THE DEVELOPMENT OF AN OVERALL COMMUNITY APPROACH. THE BRITISH, THE LUXEMBOURGERS AND THE DANES WERE MOST POSITIVE, WHILE THE FRENCH WERE THE MOST CRITICAL.

3. JOBERT (THE FRENCH MINISTER FOR FOREIGN AFFAIRS WHO WAS MAKING HIS FIRST COUNCIL APPEARANCE) MADE THE MOST CONCRETE PROPOSAL FOR CHANGE BY INSISTING ON THE NEED FOR AN INTRODUCTORY " CHAPEAU" WHICH WOULD PROVIDE A UNIFYING POLITICAL FRAMEWORK WITH A STATEMENT OF THE COMMUNITY' S GOALS. JOBERT' S PROPOSAL ATTRACTED GENERAL SUPPORT FROM THE OTHER DELEGATIONS, ALTHOUGH A NUMBER OF THEM (PARTICULARLY THE GERMANS AND THE BRITISH) URGED THAT THE INTRODUCTION BE KEPT ON A POSITIVE NOTE, AVOIDING THE DEFENSIVE. JOBERT (WHO SPOKE FIRST) CONTRIBUTED TO A CERTAIN AMOUNT OF CONFUSION BY APPEARING TO LINK DIRECTLY THE NEGOTIATIONS WITH A RETURN TO CONVERTIBILITY OF THE DOLLAR. HE SUBSEQUENTLY MADE IT CLEAR THAT HE WAS SAYING THAT THE NEGOTIATIONS MADE SENSE ONLY IN THE GENERAL CONTEXT OF A RETURN TO DOLLAR CONVERTIBILITY. JOBERT ALSO REFERRED TO THE GREAT IMPORTANCE OF STRESSING TO THE US THE NEED FOR RECIPROCITY, CITING THE RECENT REMARKS OF SECRETARY SCHULZ BEFORE THE HOUSE WAYS & MEANS COMMITTEE. (COMMENT: WE HAVE OF COURSE CALLED TO THE EC COMMISSION' S ATTENTION THE MILLS- EBERLE EXCHANGE ON RECIPROCITY CONTAINED IN STATE 091389 AND ARE GIVING THIS EXCHANGE WIDE DISTRIBUTION.)

4. MOST OF THE DELEGATIONS CLEARLY REJECTED THE CONCEPT OF ZERO TARIFFS AS A GENERAL GOAL. ONE OR TWO OF THEM CITING THE CXT AS IMPORTANT IN PRESERVING THE EC AS A SEPARATE ENTITY. THE GERMANS, THE DUTCH AND THE DANES WERE NOT AS NEGATIVE AS THE OTHER LIMITED OFFICIAL USE

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DELEGATIONS, NOTING THAT TARIFFS ARE COMING TO PLAY A LESS AND LESS IMPORTANT ROLE IN THE TRADE OF THE 1970 S. THE IRISH WERE INTERESTED IN KNOWING WHAT EC TARIFFS MIGHT BE REDUCED, SO THAT THE PROBLEMS OF THE AFFECTED INDUSTRIES MIGHT BE TAKEN INTO ACCOUNT. JOBERT SAID THAT THE EC GOAL SHOULD BE TARIFF HARMONIZATION, AND THAT THE EC SHOULD RES
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O R 161129 Z MAY 73

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TO SECSTATE WASHDC IMMEDIATE 5217

AMEMBASSY BRUSSELS

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6. THERE WAS SOME DISAGREEMENT ON WHETHER THE PAPER ON THE
OVERALL

APPROACH SHOULD BE QUITE SPECIFIC AS TO WHAT THE COMMUNITY WAS NOT
PREPARED TO THROW ON THE NEGOTIATING TABLE. THE FRENCH IN
PARTICULAR SAID THAT IF THIS PAPER WERE TOO GENERAL AND BROAD, IT
MIGHT IMPLY THAT EVERY COMMUNITY POLICY WAS A SUITABLE SUBJECT FOR
NEGOTIATION. THERE WERE THEREFORE SUGGESTIONS THAT THE PAPER
SHOULD BE KEPT SPECIFIC AND SHOULD EVEN DETAIL EXACTLY WHAT
POLICIES THE COMMUNITY WAS NOT PREPARED TO NEGOTIATE.

7. SOAMES, RESPONDING TO THE MINISTERS, AGREED THAT THERE SHOULD
BE A POSITIVE INTRODUCTION PROVIDING THE POLITICAL FRAMEWORK

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(AS SUGGESTED BY JOBERT), THAT THE CONCEPT OF ZERO TARIFFS WAS

NOT A GOOD IDEA, AND THAT THE PAPER SHOULD NOT BE DEFENSIVE. SOAMES NOTED THAT THE COMMUNITY HAD ALREADY STRESSED MANY TIMES TO THE US ITS DEVOTION TO THE PRINCIPLE OF RECIPROCITY. ON AGRICULTURE, SOAMES SAID THAT WHILE THE CAP WAS NOT NEGOTIABLE, SOME MODALITIES MIGHT BE BUT ONLY IF OTHER COUNTRIES WERE ALSO WILLING TO NEGOTIATE ON AGRICULTURE. HE PROPOSED TO THE MINISTERS THAT HE NOW PROCEED TO ASCERTAIN THROUGH NORMAL CHANNELS WHAT AMENDMENTS AND CHANGES WERE NEEDED, WITH THE PROSPECT OF ANOTHER DISCUSSION BY THE FOREIGN MINISTERS AT THE COUNCIL MEETING OF JUNE 4-5, AND POSSIBLY ALSO ON JUNE 25-26. THE COMMISSION WOULD HOPE TO HAVE MINISTERIAL APPROVAL OF ITS OVERALL APPROACH TO THE NEGOTIATIONS BY THE END OF JUNE, AND TO HAVE DEVELOPED SOME PROPOSALS FOR SPECIFIC INSTRUCTIONS BY THE END OF JULY.

8. AT THIS POINT, THERE WAS SOME DISCUSSION AS TO WHETHER THE PAPER ON THE COMMUNITY' S POSITION NEEDED TO BE IN SPECIFIC TERMS IN TIME FOR THE GATT MINISTERIAL MEETING IN TOKYO IN SEPTEMBER. JOBERT ADVOCATED THAT IT SHOULD BE DETAILED AND SIR ALEC DOUGLAS- HOME AGREED THE OPPOSITE. SOAMES MAINTAINED THAT SPECIFICS WERE NOT NEEDED THAT EARLY SINCE ALTHOUGH THE MTN WOULD OPEN AT TOKYO, NO CONCRETE NEGOTIATIONS WERE LIKELY TO BEGIN BEFORE EARLY NEXT YEAR.

9. IN A DISCUSSION WITH THE AMBASSADOR ON ANOTHER SUBJECT, SOAMES DESCRIBED THE OUTCOME OF THIS FIRST COUNCIL DEBATE ON THE COMMISSION' S MTN PROPOSALS AS " MIXED". HE SAID THERE HAD BEEN SOME GOOD AND SOME BAD STATEMENTS, AND THE MINISTERIAL EXCHANGE OF VIEWS HAD " NOT LEFT HIM ENTIRELY FREE OF WORRIES".

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